

Talking points for FoxNews and MSNBC
Friday, February 6, 2009

- Your statement

“States need an effective, targeted stimulus package to shore up dwindling state revenues. The legislation currently being considered includes excess spending and impedes states’ abilities to manage their own programs. I will oppose any stimulus package that increases states’ costs and taxes, or results in federal control over state-administered programs.”

- Need immediate tax breaks for small employers

The U.S. has slightly more than 6 million small employers, or 99.7 percent of all employer firms. These firms create nearly 79 percent of the nation’s net new jobs, according to the U.S. Small Business Administration.

As it is now, the stimulus package does hardly anything for them.

- Congressional Budget Office

CBO released a report on Wednesday saying the size of the stimulus will crowd-out private investment and result in a decrease in GDP compared with CBO’s baseline projections over the long term.

The CBO report therefore supports cutting down wasteful spending in the stimulus to help support long-term economic growth.

CBO’s analysis estimates the impact the Senate’s \$1.3 trillion bill will have on the American economy:

“In the longer run, the legislation would result in a slight decrease in gross domestic product (GDP) compared with CBO’s baseline economic forecast.”

In the short run, it will create between 1.3 and 3.9 million jobs and add 1.2 to 3.6 percentage points to GDP, but, “The effects of the legislation would diminish rapidly after 2010” and in the long run it will lower aggregate output (GDP) by 0.1 percent to 0.3 percent.

- NY Times comparison with Japan

A page one piece in the New York Times today about Japan and lessons from all the public works spending in that country found that government bail-outs simply leave enormous tax burdens for our children and grandchildren.

The Times writes, “In the end, say economists, it was not public works but an expensive cleanup of the debt-ridden banking system, combined with growing exports to China and the United States, that brought a close to Japan’s Lost Decade. This has led many to conclude that spending did little more than sink Japan deeply into debt, leaving an enormous tax burden for future generations ...”